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12 January 1967

MEMORANDUM

SUBJECT: The 10 January Bahamas Elections

1. The standoff in the 10 January House of Assembly elections presents the British governor-general with a difficult task in trying to form a new government. The government had called the election following opposition Progressive Liberal Party (PLP) allegations of corruption on the part of the ruling United Bahamian Party (UBP).

2. The Negro-led PLP dramatically increased its representation in the House of Assembly from four to 18 seats, equaling the number won by the conservative UBP. One of the two remaining seats was won by a member of the Labor Party who is expected to vote with the PLP. The other went to an independent whose alignment is in doubt. The more moderate opposition National Democratic Party lost all representation.

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4. The PLP captured 12 of the 17 seats from populous New Providence island, where the capital is located, while only four went to the UBP and the remaining one to the Labor Party. UBP Premier Sir Roland Symonette retained his seat by the slim margin of some 50 votes. The outlying islands on which the UBP had heavily depended failed to deliver the expected victories.

5. Under the constitution the governor appoints as Premier the man he believes best able to command the confidence of the majority of House members. If neither party can form a working majority, or is unwilling to enter into coalition with the other, new elections would have to be held.

6. If the PLP is chosen to form the next government, party leader Lynden O. Pindling will become premier. Pindling is an energetic and intelligent individual. He told the US Consul General that he acts as a moderating influence on party extremists.

7. Investors are apparently concerned over a possible end to their freedom from taxation in the Bahamas. PLP views vary on this issue. The Bahamian constitution provides that legislation proposing taxation can be delayed by the Senate for at least 15 months. The control of the Senate is "nonpartisan" because even the combined representatives of the two main parties cannot defeat a solid vote of the Governor's eight appointees--white businessmen.

25X1 [redacted] this ensures ample time for an expression of public opinion and also gives investors the opportunity to take action on their assets if they deem it expedient.

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3. The US consul general in Nassau predicts a period of general economic and political confusion.

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